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THE PRODUCTION AND MARKETING OF LIGHT LAMBS IN QUEBEC

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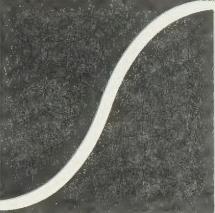
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working paper on: THE PRODUCTION AND MARKETING OF LIGHT LAMBS IN QUEBEC

A Federal Employment Stimulation Project

Farm Management Division

Agriculture Canada

550 Sherbrooke Street, West

Room 1550

Montréal 111, P. Q.

July 1973

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... making better use
THE PRODUCTION AND MARKETING
OF LIGHT LAMBS IN QUEBEC

Forward

This report is one of a series of economic and socio-economic studies on farm adjustment and development in the province of Quebec, initiated by the Montreal Office of the Farm Management Division of the Canada Department of Agriculture under the Economic Stimulation Program.

While sheep production has gradually and significantly declined in Quebec, recent developments indicated that there might be possible opportunities in sheep production if emphasis was put on production for the light lamb market. As a consequence of such considerations the current study on the production and marketing of light lambs in Quebec was carried out for the Division by Mr. Ralph K. Bennett.

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GENERAL COMMENTS ABOUT THE PRODUCTION AND MARKETING
OF LIGHT LAMBS IN THE PROVINCE OF QUEBEC

I. BACKGROUND

In the last 50 years there has been a gradual decline in sheep numbers in the Province of Quebec -- from a peak of 836,000 at June 1, 1920 to 82,000 in 1972. The same trend has taken place all over Canada -- from a total sheep population at June 1, 1931 to 3,627,000 head to 845,000 in 1972.

Up until a few years ago lamb production in Quebec (and Ontario) was concentrated mainly on a traditional pattern:

- lambs born in the spring, mainly in April and May.
- lambs marketed at about 80 to 100 lbs. in the August 15-November 15 period. Most breeds of sheep, in common with many wild ruminants, normally exhibit no sexual activity in the spring and summer and will not breed until the fall. This ensures that lambs will be born, after the five month gestation period, at the time of year most favourable for survival.
- This natural phenomenon presents some restrictions to the exploitation of sheep in confinement. The ewes are pregnant less than half the year and fat lambs come to market during a relatively short season -- later summer and fall.

Recently there has been a trend toward the production of "light" lamb which falls into two categories.

(a) young "milk fed" lambs (about four to ten weeks age).

- the preferred weight is 35-45 lbs. but the buyers are at times forced to take heavier weights, e.g. up to 55-65 lbs. in order to fill commitments made to retailers.

There is also a demand for lighter lambs for what is known as "ritual slaughter" during the Easter Season (and to a lesser extent at Christmas).

- the heaviest demand for young "milk fed" lambs is about a six week period centering around Easter.

This is the category of light lamb in which Quebec are interested.

(b) Light lambs weighing a maximum of about 60 lbs. live (25-26 lbs. dressed):

- the seller meets resistance from the retailer handling light lamb when carcasses exceed about 26 lbs.
- this category of light lamb comes from the lighter end of regular lambs coming to market.

From about November to May the main source is from feedlots (and "farm-fed" lambs).

For the balance of the year they would be mainly grass-fattened lambs.

- there is a year-round market for such lambs.

II: PROVINCE OF QUEBEC

Province of Quebec: 1971 Monthly Lamb and Sheep Slaughter in Federally Inspected Plants

January	1,047	July	716
February	732	August	2,862
March	872	September	4,383
April	363	October	2,817
May	484	November	2,699
June	920	December	2,318
		TOTAL	20,213

Annual slaughter 1967-1971:

1971	1970	1969	1968	1967
20,213	24,442	28,385	45,820	47,936

The bulk of "light" lambs are not slaughtered under federal inspection. As a result of the heavy slaughter months at federally inspected plants are August through November when grass-fattened lambs come to market. The relatively heavy slaughter in December and January is accounted for by the marketing of feedlot lambs.

From December to April some feedlot lambs from Western Canada are slaughtered in Quebec Province.

A limited volume of U.S. live lambs are brought in mainly during March-July -- the total imported into Canada in 1972, to the end of August, totalled approximately 32,474 head.

Province of Quebec: Sheep on Farms and the
Federally Inspected Kill of
Lambs and Sheep

Year	Sheep 1 Year and Older at June 1	Federally Inspected Kill	Ratio
1972	44,000	-	-
1971	47,800	20,213	1:2.3
1970	51,000	24,422	1:2.1
1969	53,000	28,385	1:1.8
1968	52,000	45,820	1:1.1
1967	55,000	47,936	1:1.1
1966	58,600	47,632	1:1.2

From 1967 to 1971 the federally inspected kill dropped about 58 percent (from 47,936 to 20,213). On the other hand, the reduction of "sheep, one year and older", was equal to only about 21 percent (from 58,600 at June 1, 1966 to 47,800 at June 1, 1971).

The number of lambs in the federally inspected kill from feedlots in Western Canada and from the U.S. have remained fairly constant. Therefore, the sharp reduction in federally inspected slaughter is mainly due to:

- the reduction in sheep numbers in the area from which lambs are normally marketed in Montreal -- Quebec, Eastern Ontario and the Maritimes.
- the growth of young "milk fed" lamb production -- the bulk of such lambs are slaughtered in plants under provincial inspection or elsewhere.

Province of Quebec: Lambs and Sheep Slaughtered
Under Provincial Inspection

12-month period	Lambs	Sheep	Total
April 1971 -- March 1972	42,566	6,542	49,098
April 1970 -- March 1971	34,873	1,879	36,752
April 1969 -- March 1970	36,805	4,349	41,154
April 1968 -- March 1969	31,045	3,782	34,827
April 1967 -- March 1968	19,636	4,517	24,153

Since 1967 sheep numbers on Quebec farms have shown a decline. During the same period slaughter under provincial inspection has doubled.

Province of Quebec: Approximate Total Annual
Slaughter of Lambs and Sheep
in Inspected Plants

Under Provincial Inspection (April-March Period)	Under Federal Inspection (Calendar Year)	Approximate Annual Total*
1971-72 49,098	1971 20,213	69,311
1970-71 36,752	1970 24,422	61,174
1969-70 41,154	1969 28,385	69,439
1968-69 34,827	1968 45,820	80,647
1967-68 24,153	1967 47,936	72,089

* As the two sets of figures do not cover the same period (April-March versus calendar year) the annual totals are only approximate.

Province of Quebec: Recorded Marketings*

The recorded marketings of Quebec origin for the last three years totalled 19,466 in 1971; 20,595 in 1970; and 24,975 in 1969.

Outward movement to:

Year	Public Stockyards	Direct to Packing Plants	Total
1971	4,100	15,366	19,466
1970	4,435	16,160	20,595
1969	5,928	19,676	24,975
1968	3,100	27,001	30,107
1967	4,785	31,132	35,917

* Source: Annual Livestock Market Reviews published by Canada Department of Agriculture.

Province of Quebec: Recorded Sales of Sheep and Lambs at Auction Markets

During the 12-month period, April 1971 - March 1972, a total of 12,983 head of lambs and sheep were offered for sale in registered auction markets in the Province of Quebec.

Of this total 9,852 head were shipped to abattoirs and the balance 3,131 was returned to farms.

Montreal: 1971 Receipts of Lambs and Sheep at Public Stockyards: Average Monthly Price

Month	Receipts at 2 Markets*	Price Good Lambs at Eastern Market*
January	141	\$26.81
February	166	29.00
March	334	30.83
April	549	33.29
May	415	39.00
June	549	38.14

Month	Receipts at 2 Markets*	Price Good Lambs at Eastern Market*
July	457	\$33.28
August	993	33.20
September	1,136	28.71
October	320	27.75
November	719	29.24
December	388	<u>29.31</u>
YEAR	6,167	\$30.95

* Source: 1971 Livestock Market Review

The prices of lambs sold at Auction Markets are not officially reported.

Young "Milk-Fed" Lambs: Price Quotations* on Sales
at the Public Stockyards in Montreal

These quotations for the January-May period cover light lambs weighing from about 30-60 lbs. alive (the bulk weigh between 35-50 lbs.) and an average of approximately 40 lbs.

1970			1971		
Month	Number	Average Price Per 100 lbs.	Month	Number	Average Price Per 100 lbs.
January	199	\$37.85	Jan.	114	\$33.45
February	64	40.92	Feb.	168	36.65
March	203	69.40	March	nil	nil
April	191	56.65	April	301	65.90
May	295	58.90	May	323	50.70

1972		
Month	Number	Average Price per 100 lbs.
January	nil	nil
February	33	\$40.20
March	27	70.75
April	491	60.65
May	350	52.20

* Source: Livestock Division, Canada Department of Agriculture, Montreal.

The above price quotations are not particularly significant because of the small volume involved:

- only a small percentage of the total Quebec production is offered for sale at the Public Stockyards in Montreal.
- the larger producers are selling their lambs F.O.B. the farm.

However, the price pattern confirms that the highest price is available during Easter Season, e.g. in April, 1972, 491 head brought an average of \$60.65 per 100 lbs.

1971: Estimated Number of Young "Milk Fed"
Lambs Produced in Quebec

The bulk of the light lambs marketed from Quebec farms are born between December 1 and April 1:

- lambs born after April 1 are usually turned out to grass with their mothers to be weaned and sold from about August 15 on.
- at the present time very few producers are lambing more than once per year. However, this is the long range goal of all producers organized to raise light lambs.

Due to several factors there is not a precise record available to the slaughter of "light" lambs (a maximum weight of about 60 lbs.) of Quebec origin:

- (i) Some young "milk fed" lambs, bought F.O.B. the farms, are not killed in plants where the kill is officially recorded and reported.
- (ii) The records of lambs slaughter in plants under inspection do not clearly differentiate between light lambs and regular lambs.
- (iii) A considerable volume of "light" lambs slaughtered and consumed in the greater Montreal area are bought F.O.B. farms outside of Quebec:
 - in Ontario, mainly the Eastern Section
 - a small number from New Brunswick
 - an occasional shipment direct from Eastern Saskatchewan.

Appendix A shows sheep number on farms June 1, 1971 and June 1, 1972 for Quebec, a total of 82,000 (44,000 one year old and older; 38,000 lambs under one year old).

The 1971 June 1 census figures are now available (Agriculture: Livestock and Poultry Census -- Farms; Advance Bulletin 1971 Census of Canada; Statistics Canada).

The data with respect to sheep in Quebec are as follows:

(a)	Total number on farms	82,425
(b)	Farm reporting	2,060
(c)	Lambs under one year	40,649 (46%)
(d)	Ewes, rams, wethers one year and over	47,785 (54%)
	Ratio of (d) to (c)	1::85
	Lambs per 100 one year and over	85

Appendix B records the breakdown for lamb of the 74 Census Divisions in the Province of Quebec. In addition to the four categories of sheep, a figure is listed for the number of lambs per 100 sheep one year and over -- for the Province it is 85 lambs per 100.

Appendix C lists the same data for the 25 Census Divisions that had 1,000 more sheep as of June 1, 1971. The number of lambs per 100 sheep "one year and over" averaged 90, compared with 71 for the other 55 Census Divisions and with 85 for the Province as a whole.

On Quebec farms as of June 1, 1971 there were:

- 47,785 ewes, rams and wethers one year and over.
- 40,640 lambs under one year.

In the 47,785 there would be:

- Some rams, possibly about 1 in 25 or 4 rams per 100 ewes; approximately 4 percent of the total, i.e. around 1,900.
- Some yearling ewes (1970 ewes' lambs that were not exposed to a ram). It takes at least 10 percent of the total lamb crop (20 percent of the ewe lamb crop) to supply replacements for the breeding flock).

The exact percentage of ewe lambs that are bred is not known. It is assumed that it is about 50%. If 4,800 (approximately 10 percent) were kept for replacements in the fall of 1970 and 50% were bred, there would have been, at June 1, 1971, about 2,400 yearling ewes that did not lamb in 1971.

Using the above calculation there was a "breeding flock" of about 43,500 (47,785 less 1,900 & 2,400).

For purposes of this analysis, 43,500 is assumed to be the number of ewes that were bred (i.e. exposed to the ram) to produce lambs in 1971.

Obviously the goal of every producer is to have a high percentage of "lambs saved" (lambs available either for sale or as replacement ewes). The average percent of "lamb crop sold" would be less and vary according to the number of replacements put into the flock -- on the average it should be 10 percent less.

The Census figures give the number of lambs as of June 1 -- this represents the number left on the farms after the young "milk fed" lambs had been sold.

By using various levels of "lamb crop sold" (estimated at 10 percent less than "lambs saved") an estimate may be made of the total lamb crop and the numbers of young "milk fed" lambs marketed:

% "Lamb Crop Sold"	Total Lamb Crop Available for Sale, from 43,500 Ewes	Lambs on Farms June 1, 1971	Difference*
100	43,500	40,640	2,860
105	45,675	40,640	5,035
110	47,850	40,640	7,210
115	50,025	40,640	9,385
120	52,200	40,640	11,560
125	54,375	40,640	13,735
130	56,550	40,640	15,910
135	58,725	40,640	18,085
140	60,900	40,640	29,260

* Theoretically this would represent the number of young "milk fed" lambs sold prior to June 1.

Using an arbitrary percentage of 125 percent "lambs saved" and 115 percent "lamb crop sold" number the total of young "milk fed" lambs produced in 1971 at about 9,385.

There is no complete record of the percent "lambs saved" and the percent "lamb crop sold". Obviously the percent may vary from the arbitrary figures used above -- e.g. if the percent "lamb crop sold" was 105, the number of young "milk fed" lambs produced was only about 5,035; with a percent "lambs saved" of 135, and a percent "lamb crop sold", the production of young "milk fed" lambs would have been about 13,735.

Appendix C records that several of the counties (Census Divisions) in the outlying sections of the Province had close to 100 and more "lambs under one year" for each 100 "ewes, rams and wethers one year and over", e.g. Rimouski Bonaventure, Matapedia, Matane, Lac St. Jean Est, Chicoutimi, Gaspé-Ouest and Témiscamingue. As all of these counties produce some young "milk fed" lambs it would appear that the percent "lamb crop sold" is definitely over 100.

If it is assumed that there was a "lamb crop sold" of 115%, then it would appear that only about 19% (8,161) of the ewes (43,500) were used to produce an estimated 9,385 young "milk fed" lambs in 1971:

$$\frac{9,385 \text{ lambs}}{115\%} = 8,161 \text{ ewes} : \frac{8,161}{43,500} = 18.8\%$$

Appendix B shows the variation in the number of lambs per 100 ewes.

It is interesting to note that the large lamb producing counties in the Lower St. Lawrence and Lac St. Jean have a high number of lambs per 100 ewes compared with the provincial average of 85 -- Gaspé-Ouest 116; Bonaventure 93; Matane 119; Matapédia 100; Rimouski 97; Lac St. Jean Est 114; Chicoutimi 113. It seems apparent that these counties are not producing any sizeable number of "milk fed" lambs.

On the other hand, several of the counties within 200 miles of Montreal show a low number in comparison with the provincial average of 85 -- Argenteuil 62; Brome 62; Labelle 62; Mississquoi 36; Pontiac 46.

There are some other light producing counties (with less than 1,000 total sheep) that had 65 or less lambs per 100 ewes:

Bagot	53	Nicolet	35
Châteauguay	29	St. Jean	65
Huntingdon	31	Terrebonne	49
Joliette	64	Vaudreuil	42
L'Assomption	64	Yamaska	39
Berthier	61		

The 25 counties with 1,000 or more total sheep listed in Appendix C have about 73% (35,072) of the ewes (a total of 47,785) in the province so it would seem that most of the larger counties are still concentrating on the production of grass fattened lambs -- the number of lambs per 100 sheep "one year and over" was 90 compared with provincial average of 85.

1972: Estimated Number of Young "Milk Fed"
Lambs Produced in Quebec

Statistics Canada (Livestock Surveys June 1, 1972) reports 44,000 sheep one year old or older compared with 47,800 a year earlier.

Thus, it seems reasonable to assume that the number of light lambs marketed in 1972 will be about the same as in 1971 -- the reduction in ewes (3,800 or 10%) could have been offset by a higher percentage lamb crop sold. As producers are gaining more experience in raising light lambs the percentage lamb crop sold should be steadily rising.

The Marketing of Young "Milk Fed" Lambs
Produced in Quebec

The producer sells by several methods. The main ones, in order of importance, are:

- (i) F.O.B. the farm, where the buyer picks them up. the buyer (or his representative) may be an abattoir; a wholesaler or butcher that has the lamb custom-killed; a dealer that will sell the lambs at a public stockyard or an auction barn.

The bulk of the lambs produced are sold in this manner, that is, at the producer's premises -- in general the producer wants to know the price before his lambs leave the farm.

- (ii) The producer offers lambs for sale at an auction barn.
- (iii) The producer consigns his lambs to a sales agent at the Public Stockyards in Montreal.

The basis of pricing is:

- Lambs sold at the farm are priced on a "per head" basis, e.g. \$25.00 per lamb.
- Sales at auction barns and/or the Public Stockyards are on a per pound basis, e.g. 60¢ per pound or \$60.00 per hundredweight.

III. SOURCE OF LIGHT LAMBS CONSUMED IN THE GREATER MONTREAL AREA

The numbers produced in Quebec do not satisfy the demand.

The operators handling light lambs (abattoirs, wholesalers, butchers, retailers, etc.) purchase lambs from a variety of other sources:

- (i) direct from lamb producers in Ontario, particularly in the eastern counties (commonly referred to as Eastern Ontario)
- (ii) on the Toronto Stockyards

- (iii) on the Winnipeg Stockyards
- (iv) small quantities of "milk fed" lambs are purchased direct from farmers in the Maritimes and some light lambs are bought at Lamb Sales and at Auction Markets.
- (v) during 1972 at least one shipment was received direct from Eastern Saskatchewan.

There is not any readily available record of the exact numbers purchased F.O.B. farms in Quebec, Ontario, Saskatchewan and the Maritimes.

The Winnipeg Stockyard was, in 1971, the source of 11,344 head that were shipped East:

- about 45% (5,236 head) in the March-May period when the bulk of young "milk fed" lambs are marketed. These lambs are "milk fed" plus a special grain ration, i.e. they have not been turned out to pasture.
- the balance were mainly lambs weighing about 70 lbs. and down that were either out of a feedlot or marketed off grass.

In 1972 a total 4,407 head were shipped during March-May. It is estimated that the total for the year will be a little higher than in 1971 (a total of 11,344 head).

It is expected that, in 1972, the Toronto Stockyards will be the source of about 3,000 light lambs of which approximately 2,400 were "milk fed".

IV. ONTARIO: AS A SOURCE OF LIGHT LAMBS FOR THE GREATER MONTREAL MARKET

The 1971 June 1 census figures record sheep numbers in Ontario as follows:

(a) Total number	216,271
(b) Farms reporting	4,409
(c) Lambs under one year.....	98,041 (46%)
(d) Ewes, rams and wethers over one year .	118,230 (54%)
Ratio of (d) to (c)	1:.83
Lambs per 100 head "over one year".....	83

Appendix D gives the breakdown for the 14 Census Divisions in Eastern Ontario. This is the area in which Montreal buyers pick up light lambs at the farms particularly in those counties that are closest to Montreal. The number of lambs per 100 head, one year and over, does not vary greatly from the data for Quebec:

Province	Lambs per 100 head over 1 year
Ontario	83
-- 14 Eastern Census Divisions	84
-- Balance (41 Divisions)	82
Quebec	85
-- 23 largest producing Census Divisions ...	90
-- Balance (55 Divisions)	71

It should be noted that Montreal buyers may also obtain some "milk fed" lambs F.O.B. farms in Central and Western Ontario, but this is not a general practice.

Obviously the number of young "milk fed" lambs produced in Ontario is tied to two main factors:

- (i) the number of ewes bred to lamb early.
- (ii) the percentage lamb crop sold.

The average percent "lambs saved" and "lamb crop sold" may be considerably higher in Ontario than in Quebec:

- there are more large specialized units in Ontario and the climate is less severe.
- a higher percentage of the ewe flock carried blood of the breeds that tend to breed early.

On Ontario farms as of June 1971 there were:

- 118,230 ewes, rams and wethers, one year and over.
- 98,041 lambs under one year.

In the 118,230 there would be:

- Rams, likely about 1 in 25, i.e. 4 rams for each 100 ewes -- 4% of the total or approximately.
- Yearling ewes without lambs at foot (1970 ewe lambs, held as replacements, that were not being bred). If ewe lambs for replacements in 1970 totalled 10% (11,800 head), and 50% of these were bred then at June 1, 1971 there would have been about 5,900 yearling ewes that did not lamb in 1971.

Using the above calculation there was a "breeding flock" in 1970 of about 107,630 (118,230 less 4,700 and 5,900).

For purposes of this analysis the number of ewes that produced lambs in 1971 is assumed to be 107,600.

It is customary to define a lamb crop in terms of percent "lambs saved". The percent "lamb crop sold" will be lower and vary in accordance with the number of ewe lambs held for replacements -- thus, it will likely work out at about 10% less.

The Census data gives 98,041 as the number of lambs in Ontario farms as of June 1, 1971. This figure should represent the balance of the lamb crop left after the young "milk fed" lambs had been sold, prior to June 1.

By using various levels of "lamb crop sold" (estimated at 10% lower than "lambs saved") an estimated may be made of the total lamb crop and the number of young "milk fed" lambs marketed:

% "Lamb Crop Sold	Total Lamb Crop Available For Sale, from 107,600 Ewes	Lambs on Farms June 1, 1971	Difference*
100	107,600	98,040	9,560
105	112,980	98,040	14,940
110	118,360	98,040	20,320
115	123,740	98,040	25,700
120	129,120	98,040	31,080
125	134,500	98,040	36,460
130	139,980	98,040	41,940
135	145,260	98,040	47,220
140	150,640	98,040	52,600
145	156,020	98,040	57,980
150	161,400	98,040	13,360

* Theoretically this would represent the number of young "milk fed" lambs marketed prior to June 1.

Using an arbitrary 135 percent "lambs saved" and 125 percent "lamb crop sold" the estimated total of young "milk fed" lambs sold in 1971 was about 36,460.

There is not any complete record of the percent "lambs saved" and it is obvious that the percent "lamb crop sold" will vary to the same degree. If the percent "lambs saved" was only 120% and the percent "lamb crop sold" was 110 percent, then the number of young "milk fed" lambs produced was only about 20,320.

If it is assumed that there was a "lamb crop sold" of 125 percent, then it would seem that only about 27 percent (29,168) of the total "breeding flock" (107,600) that was bred produced young "milk fed" lambs:

$$\frac{36,460 \text{ lambs}}{125\%} = 29,168 \text{ ewes} : \frac{29,168}{107,600} = 27.1\%$$

There is not any marked evidence that there will be much change in 1972 with respect to light lamb production in Ontario although it should be noted that Statistics Canada reports an increase in "sheep one year old or older" -- 120,000 at June 1, 1972 compared with 118,200 at June 1, 1971.

1971: Recorded Marketings
of Ontario Origin¹

Year	Outward Movement To				Inward Movement ²
	Public Stockyards	Direct to Packing Plants	Direct Export	Total	
1971	61,811	21,250	521	83,582	14,384
1970	61,156	20,565	859	82,580	15,023
1969	70,755	23,506	163	94,424	12,998
1968	69,323	36,856	189	106,368	21,115
1967	70,951	43,406	330	114,687	27,120

- (1) Source: 1971 Livestock Market Review
(2) Feeder lambs from Western Canada

1971 Monthly Receipts at Toronto Stockyards;
Monthly Slaughter of Sheep and Lambs in
Ontario at Plants Under Federal
Inspection; Monthly Average
Prices for Good Lambs
at Toronto

Month	Receipts at Toronto Stockyards	Slaughter in Federally Inspected Plants*	Monthly Average Price per 100 lbs. Good Lambs, Toronto Stockyards
January	5,100	6,821	\$30.45
February	3,395	6,223	33.34
March	6,928	8,391	31.68
April	5,744	8,647	32.50
May	2,625	6,122	37.59
June	4,192	8,413	41.10
July	5,093	7,000	36.06
August	6,533	6,932	31.44
September	8,068	9,423	28.92
October	6,930	8,977	27.85
November	6,699	8,470	28.50
December	6,667	9,850	28.00
1971	67,974	95,224	\$30.65

* This would include some lambs from Western Canada and from the U.S.A. It does not include the kill at Ontario plants under Provincial Inspection -- 41,249 head (lambs, 35,439; sheep, 5,810).

Prices at Toronto Stockyards

The Livestock Division Canada Department of Agriculture, reports prices at the Ontario Stockyards. The table above lists monthly average prices for 1971. For 1972, January-August, the average monthly prices are as follows for GOOD regular lambs:

January	\$31.80	Apr.	\$36.73	July	\$35.51
February	33.40	May	46.80	Aug.	33.05
March	36.33	June	41.73	Sept.	31.17

Weekly Special Lamb Sales are held on the Toronto Stockyards.

Montreal buyers of light lambs are either present, or represented by another buyer, at the Special Lamb Sales.

In 1972, up to July 31, a total of approximately 2,400 light lambs weighing a maximum of approximately 65 lbs. were purchased by Montreal buyers. The total for the year is estimated at 3,000.

The reports of the 1972 Special Sales quota prices for several categories:

(i) Traditional or Regular Lamb

- (a) Good Handyweight Lambs
good quality; approximate weight range
80-100 lbs.
- (b) Common Heavyweight Lambs
common quality; approximate weight range
80-100 lbs.
- (c) Heavy Lambs
over approximately 100 lbs.
- (d) Light Lambs
75 lbs. and under

This category includes regular lambs about 70 lbs. and under:

- That are approximately 12 weeks of age and over.
- During the seven month period November-February they are mainly out of feed-lots (both commercial and "farm feeding") and have been grain-fed but did not develop sufficiently to reach the weight (80-100 lbs.) for handy-weight lambs.

- From June to October these are mainly grass-fattened lambs that, due to a variety of reasons (young age, parasites, disease, low nutritional level, etc.) are of light weight at time of marketing.
- In March, April and May young "milk fed" light lambs are available in the heaviest volume.

During the balance of the year, that is November-February and June-October, when young "milk fed" lambs are not available (except in very limited numbers) the lambs in this category, i.e. (d), are in demand and will bring a higher price than GOOD handyweight regular lambs.

- (e) Yearling lambs
feedlot lambs marketed in the late winter and early spring months -- approximately one year old, e.g. born in April 1971.

(ii) Young "milk fed" Lambs

Lambs born in the latter part of 1971 and mainly in the winter of 1972 that are sold at a young age and light weight.

In Eastern Canada (particularly in Montreal) such light lamb, which is a "specialty" product in contrast to regular lamb, is sometimes referred to as "Easter Lamb"; "Milk Fed Lamb"; "Ethnic Lamb"; "Ritual Slaughter Lamb"; "Hot House Lamb" etc.

At the Special Weekly Lamb Sales in 1972 such lambs were quoted under two categories:

- As "New Crop" lambs from January 3 to May 15.
- As "Spring Lambs" from May 23 to June 5

Price Quotations for light Lambs at the
1972 Special Weekly Sales

For the first 20 weeks these were quoted as New Crop Lambs.

For the following three weeks they were quoted as Spring Lambs.

Beginning with the sale on May 22, all lambs offered for sale have been included in one of the five categories listed under "Traditional or Regular Lamb".

- (i) New Crop Lambs -- 4,118 (Jan. 3 to May 15 both inclusive)

Date	Number	Average Weight	Average Price per cwt	Average Price per head
Jan. 3	7	36	\$71.00	\$25.56
10	3	67	68.50	45.89
17	0	nil	nil	nil
24	0	nil	nil	nil
31	0	nil	nil	nil
Feb. 7	6	52	70.00	36.40
14	16	52	57.14	29.71
21	4	39	71.00	27.69
28	44	52	70.19	36.50
Mar. 6	122	55	69.06	37.98
13	564	54	65.20	35.21
20	484	49	63.97	31.31
27	443	50	69.11	34.55
Apr. 3	719	49	72.51	35.53
11	218	51	60.02	30.60
17	256	54	55.05	29.72
24	173	57	55.44	31.60
May 1	270	57	56.71	32.33
8	303	58	51.35	29.78
15	486	62	52.93	32.81

- (ii) Spring Lambs -- 1,044 (May 23 - June 5, both inclusive)

Date	Number	Average Weight	Average Price per cwt	Average Price per head
May 23	294	59	\$51.57	\$30.43
29	508	65	42.43	27.58
June 5	242	63	44.46	28.01

Easter Sunday was on April 2 followed by the Greek Orthodox Easter one week later.

The largest sale was on April 3:

- 728 head
- an average of 49 lbs. This and the sale on March 20 were the only sales, with sizeable numbers, at which the lambs averaged under 50 lbs.
- the highest average price per 100 lbs.
- an average price of \$35.53 per head.

The outlet in Ontario for "light" lamb is such that it absorbs all of that Province's production with the exception:

- of lambs sold to Montreal buyers F.O.B. the farm. This is confined mainly to Eastern Ontario but just prior to Easter (and to a limited extent just prior to Christmas) Montreal buyers may be active in Central and Western Ontario buying F.O.B. the farm.
- of lambs bought by Montreal buyers, on the Toronto Stockyards.

When the regular sources of supply in Montreal are not sufficient to meet the demand, Montreal buyers will turn to the Toronto Stockyards. This activity is centered around the Easter Season, but some light lambs are bought at other times of the year.

V. MANITOBA: AS A SOURCE OF LIGHT LAMB FOR THE GREATER MONTREAL MARKET

Manitoba (and eastern Saskatchewan, to a limited extent) are producing light lambs that are offered for sale at weekly Lamb Sales held at the Winnipeg Stockyards. These sales are jointly staged by the Manitoba Lamb Producers' Association, the Stockyards and the local commission firms. Beginning in 1968 such sales are held once a week.

The 1971 June 1 census figures record sheep numbers in Manitoba as follows:

(a) Total number	42,500
(b) Farms reporting	752
(c) Lambs under one year.....	18,276
(d) Ewes, rams, wethers, over one year.....	24,224
Ratio of (d) to (c)	1: .75
Lambs per 100 head over one year.....	75

Manitoba had fewer lambs per 100 head "over one year" than either Quebec (85) or Ontario (83). This means that in Manitoba producers are using a higher percentage of the total ewe flock for light lamb production than is the case in either of the other two provinces.

A Special Light Lamb Sale was held in 1971 on April 1 and there were two in 1972 -- on March 21 and March 23.

The Livestock Division, Canadian Department of Agriculture, Winnipeg, reports the results of sales held during the period when the bulk of light lambs are marketed. The details regarding dates, numbers sold, price range and numbers shipped to Montreal are as shown below:

Lamb Sales: Winnipeg Stockyards (Union Stockyards, St. Boniface)

1971				
Week Ending	Number Sold	Price Range (\$ per lb)	Weight Range	Number to Montreal
March 27	766	40-45	50-60	522
		45-55	40-50	
April 3	3,031*	55-57	35-40	2,044
		50-54	40-50	
		40-49	50-60	
April 10	66	42-56	35-40	14
April 17	446	45-53	40-50	304
April 24	238	45-50	30-45	197
May 1	580	35-48	35-60	466
TOTAL	5,127			3,547

* Includes a Special Lamb Sale on April 1.

1972

Week Ending	Number Sold	Price Range (¢ per lb)	Weight Range	Number to Montreal
March 18	764	33-39	50-60	491
		60	45-50	
March 21	1,464*	56-58	35-40	
March 23		56-62	35-40	1,020
April 1	262	69-71.50	40-50	244
		60-69	50-60	
April 8	430	64-67	35-40	399
		53.50-60	50-60	
April 15	288	48-51	40-55	271
April 22	379	45-49.50	40-50	345
April 29	314	43-47.50	40-50	260
TOTAL	3,901			3,030

* The total for two Special Light Lamb Sales

For the last three years, 1970-1972, a large percentage, at least 80 percent, of all the lambs consigned to the Winnipeg Stockyards have moved into eastern markets.

In 1971 approximately 11,300 head of light lambs weighing up to a maximum of 70 lbs. went to Montreal. It is estimated that up to 5,000 head of these were "milk fed" lambs sold in the late March - early May period. The balance were not the same desirable quality -- they were mainly from feedlots or had been running on grass with their mothers.

It is estimated that upwards of 13,000 will move to Montreal in 1972 and that approximately 4,000 of these were "milk fed" lambs.

Virtually all of the young "milk fed" lambs are marketed before June 1. These are lambs that have received only the ewe's milk and a special grain ration.

Ewes and lambs go to pasture approximately the 24 of May and after that period the light lambs weighing under 70 pounds come mainly from lambs that have run on pasture and, therefore, are not the same quality as the young "milk fed" lambs sold earlier.

The Montreal buyers impose a sharp reduction in price once the lambs weigh over approximately 60 pounds.

The shipment of lambs to Montreal is convenient and is facilitated by two factors:

- The railway schedule makes it possible to run stock cars from Winnipeg to Montreal within the "36-hour limit", i.e. livestock does not have to be unloaded en route for feed and rest.
- Montreal operators regularly buy heifer slaughter calves, 300-650 lbs., on the Winnipeg market. Shipments January-Sept. 1972 totalled 6,347 head with monthly purchases as follows:

Jan.	487	Apr.	757	July	717
Feb.	837	May	529	Aug.	546
Mar.	979	June	843	Sept.	652

The principal Montreal buyer has stock cars leased from the railway which are outfitted with a "double deck" especially designed to handle light lambs. Therefore, if lamb purchases in any week are not sufficient to make up a full load, the number available can be shipped and the balance of the load made up of calves. Without such an arrangement the cost per pound of shipping a part-load of lambs would be prohibitive.

VI. STEPS OR MOVES THAT COULD BE TAKEN TO IMPROVE THE SITUATION WITH RESPECT TO THE PRODUCTION AND MARKETING OF LIGHT LAMBS

(i) Production area

There is a lack of shepherds. This fact is holding back expansion in light lamb production -- people interested in investing in sheep with specialization in light lambs are discouraged by the difficulty in obtaining efficient help and management.

Some producers feel:

- that there is a lack of sufficient knowledge (technology or know-how) in handling sheep in an "unorthodox" manner involving off-season breeding, early lambing, weaning at light weights, special marketing arrangements, etc.
- that there is a need for more highly specialized sheep technicians in the extension service.

(ii) Marketing area

At present the marketing of light lambs does not follow any organized or regular pattern as in the case with other livestock. This applies particularly to two situations:

(a) Market Reporting

The producers claim with justification that there is an urgent need for market price on light lambs to be regularly reported, especially during the main marketing season.

There is virtually no reporting of prices on the bulk of light lambs sold. Quotations are limited to lambs offered for sale at the Public Stockyards in Montreal where only a small percentage of the light lamb crop is marketed -- thus prices from this source do not cover an adequate representative sample.

The answer probably lies in arranging for quotations from two other sources in the Province of Quebec:

- Prices at auction markets handling a fair volume of light lambs.
- Prices on lambs sold outright, i.e. F.O.B. the farm, to a retailer, to a buyer from an abattoir, etc. Individual producers could report sales to a producer's organization, e.g. the Eastern Townships Sheep Breeders Association, which in turn could give a summary to the news media, e.g. the Canadian Broadcasting Commission.

(b) Marketing Organization

In this area there are two main things that require attention:

(1) Estimates of Production

At present the buyers of light lambs have no readily available means of determining the approximate number of light lambs that will be coming to market during the February-May period. This makes it difficult for the trade to efficiently organize the handling and selling of the lamb crop.

The buyers feel that producers should, through their organizations, be in a position to forecast marketings with reasonable accuracy.

They insist that a flow of information is essential from producer to abattoir to retailer if the latter is to effectively plan in advance.

(2) Selling Mechanism

There is an urgent need for an organization (or mechanism) to assemble shipments of light lambs for sale in Montreal. This applies particularly to those producers in the Eastern part of the Province.

The Montreal buyers cannot afford to travel long distances for a few head of lambs. The costs involved are directly reflected in the price offered for the lambs.

In other words, marketings should be organized through some form of "pooling" deliveries and "group selling". This is necessary to minimize marketing costs and provide the producer with maximum returns.

VII. COMPETITION TO QUEBEC PRODUCED YOUNG "MILK FED" LAMB FROM IMPORTED LAMB

(i) From U.S. Lamb

Canada imports live U.S. lambs (mainly in the February-July period) during the time when regular lambs (80-100 lbs. live weight) are available only in small numbers.

The volume of lamb marketed from Canadian feedlots is not sufficient to meet the demand. The bulk of these U.S. lambs weigh approximately 90-95 lbs. live.

However, for the Easter period (and to a lesser degree for the Christmas season) a limited volume of U.S. light live lambs may, depending upon the availability from Canadian producers, be imported from the U.S.

The total imported was 24,003 head in 1970; 30,891 in 1971 and the estimated total for 1972 is 34,000. In addition, some U.S. dressed lamb is imported -- in 1971 a total of 114,900 lbs. or the equivalent of about 2,700 carcasses averaging 42 lbs.

During February and into April these imports are out of U.S. feedlots and from then on spring lambs become available. They fill a void during the period of shortage of regular Canadian lambs particularly after Canadian feedlot lambs have all been marketed and up until grass-fattened spring lambs are available. As is the case with both U.S. pork and Choice slaughter cattle it is, at times, profitable for the trade in Canada to import U.S. lamb.

U.S. lambs are imported because of the shortage of regular lamb in Canada during the winter and spring months. In other words, during that period Canadian lamb producers do not market regular lambs in large enough numbers to meet the demand.

In this kind of a situation, the price in Canada will rise to a level where U.S. product (either live or dressed) can be imported and this creates a condition where the delivered cost of U.S. lamb sets a "ceiling" above which the price at Montreal (or elsewhere in Canada) does not rise. Operating on the "North American economy" the price relationship, between lambs at Montreal and at mid-west U.S. markets, is similar to that for beef and hogs -- lamb either live or dressed may move either way across the border subject to duty plus transportation and selling cost.

The Canadian tariff is:

- \$2.00 per head on live U.S. slaughter lambs, that is, a minimum of 2¢ per pound alive.
- 6¢ per pound on dressed lamb. On a 45 lb. carcass this amounts to \$2.75 per head or close to 3¢ per pound alive.

Therefore, the U.S. producer exporting to Canada would receive considerably less per pound, F.O.B. the farm, than the Canadian producer because, in addition to the duty, the cost for transportation, shrink and selling costs would amount to about 5-6¢ per pound.

It should be emphasized that the Quebec producer of "milk fed" lambs is not affected by U.S. imports:

- the latter are regular lambs
- they do not meet the specifications for light lambs.

In general livestock prices in Canada operate on the "North American Economy" -- prices are tied directly to U.S. price levels as established in the U.S. mid-west. (With beef, hogs, and regular lambs it is the U.S. producer, in terms of volume of production, that determines the "basic" price under the "North American Economy".)

Light "milk-fed" lamb is an exception:

- there is not any established regular market in the U.S. Midwest for light lambs.
- although prices in the Montreal area have been very attractive at times, there has never been any significant importation of U.S. light lambs.

(ii) From New Zealand and Australia Frozen Lamb

Substantial quantities of frozen lamb is imported from Oceania, e.g. the total in 1971 was:

From New Zealand	6,903,800 lbs.
From Australia	<u>13,650,100</u> lbs.
TOTAL	20,553,900 lbs.

Total imports of lamb in 1971 equalled approximately one pound per capita.

New Zealand sells lambs in five weight ranges -- 20 to 28 lbs; 29-36; 37-43; 43-50; 51-56. All New Zealand frozen lamb coming into Canada arrives in the form of boxed trimmed cuts (legs, loins, racks, shoulders).

The yield of cuts from carcass is approximately 77%. All of the frozen cuts coming into Canada are from carcasses in the 29-42 lb. range. Incidentally, New Zealand lamb slaughter for export to all countries, from October 1, 1971 to July 29, 1972, totalled 25,936,662 head with an average carcass weight of 30.16 lbs. Greece is a principal customer for lamb carcasses in the light weight range.

Australia is exporting frozen lamb into Canada in two forms -- boxed cuts and carcasses.

This frozen lamb does not offer any direct competition to fresh light lamb produced in Quebec:

- This frozen imported lamb and the fresh light lamb go into two different and distinct markets and retail channels. The fresh light lamb is a "specialty product" favoured by peoples from Southern Europe, e.g. Italians and the Eastern Mediterranean countries, e.g. Greeks.

There is a wide spread in price that the retailer will pay -- early in October 1972 the wholesale price at Toronto delivered to the retailer for Canadian fresh light lamb was 77-99 cents per lb., depending on quality with the bulk of sales in the higher end of the range.

In contrast, frozen Australian light lambs were 45-50 cents. New Zealand is not exporting any frozen lamb in carcass form to Canada.

- Both New Zealand and Australia could supply frozen lamb carcasses of the weight preferred by the buyers of fresh light lamb. However, this imported product does not meet with favour because after defrosting the carcasses do not have an attractive "fresh appearance".

Thus, it seems evident that frozen imported lamb is not a competitive meat as far as Canadian light lamb is concerned.

(iii) From Fresh New Zealand Carcasses Shipped by Air to Toronto

1972 was the first year that DEVCO, the Meat Export Development Company (New Zealand) has imported fresh lamb in any volume -- a few experimental shipments were made in both 1970 and 1971:

- The importer is a prominent Ontario lamb producer.
- The volume during the period of shipment (1st week in December to 1st week in April 1972) totalled approximately 2,100 carcasses. These imports represent a small percentage of the number of light lambs produced in Ontario.

A minimum shipment is 200 carcasses. There were not regular shipments every week. The largest number for any week was brought in for the Easter period, a total of a little over 600 carcasses.

- An average weight close to 24 lbs.; a range of 20-24.
- The carcasses are acceptable in respect of conformation, uniformity of type and weight; degree of finish.
- During the period in which they enter Canada, these lambs fill a void due to the small total volume of Canadian lamb marketed December 1 - April 15.

There are some problems associated with importing the product:

- The retailer insists upon a strictly fresh lamb and shows a decided preference for Canadian lamb over the light imported New Zealand lamb.
The latter is stamped "New Zealand Lamb" and this, plus the inspection legend, tends to create the impression that the carcasses may have been brought in frozen and defrosted after arrival.
- The carcasses have a short "shelf life" (the period before they turn dark and/or spoilage takes place and the meat cannot be retailed). This is due to the changes that may take place, in temperature, during the trip by air. The established schedule is about as follows -- slaughtered on Thursday at a plant in Auckland; loaded on Sunday at the Auckland airport; arrival at Los Angeles on Sunday (flight crosses the International Date Line) overnight in a cooler; on Monday's Air Canada flight to Toronto where the importer takes possession.

The planes are not refrigerated and therefore the process is abnormal due to changes in temperature. As a result, the product has to be quickly moved into consumption. If carcasses are not sold within a few days after arrival they have to be frozen and this results in a sharp reduction in the selling price, 50 percent or more.

Shipping full plane loads would not be a satisfactory answer to the problem:

- The freight rate would be higher because the plane would have to "deadhead" home, i.e. without a return load.
- The volume in a full plane load could not be moved into the market in fresh form due to the limited "shelf life".

In view of the factors outlined above there is only a limited outlet for fresh light lamb carcasses from New Zealand. It would be difficult to sell them to advantage if an ample supply of Canadian light lamb was available, as there is a definite preference for the strictly fresh domestic product.

Furthermore, it is costly to move these light fresh carcasses from New Zealand to the importer's premises in Toronto -- close to 42¢ per pound or \$100.00 for a 24-lb. carcass; on a live weight basis this represents about 20¢ per pound.

The above-mentioned costs, i.e., 20 cents per lb. alive places the New Zealand producer in a disadvantageous position in competing for the Eastern Canada market for fresh light lamb.

DEVCO officials emphasize that their objectives with respect to importation of lamb are about as follows:

- Their primary objective is to increase total lamb consumption in Canada (at present about 1.6 lbs. per capita).
- They are of the opinion this can be accomplished only by having a reasonably consistent volume of lamb in the counters, 52 weeks of the year, of a quality that will establish a favourable image and thereby step up the amount of lamb eaten per capita by Canadians, regardless of its origin.

-- DEVCO will import fresh light lamb, upon request and a specific order, only when in their opinion light lambs of Canadian origin are in short supply. In other words, they are striving to make certain that the volume of light fresh lamb imported does not have any detrimental effect on price levels for Canadian light lamb.

From the current evidence it does not appear that the importation of light fresh New Zealand lamb will develop to any significant degree due to several factors:

- The attitude and approach of DEVCO to this type of importation, i.e. light fresh lamb carcasses.
- Problems associated with air freight, particularly the maintenance of optimum temperature conditions, i.e. the problem of changes in temperature which affect "shelf life".
- As pointed out previously in this Section, the present procedure of transport by air does not make it possible to control the level and evenness of temperature to the same degree as with carcasses from lambs slaughtered in a Canadian plant.
- The Canadian consumer's evident preference for "strictly fresh" Canadian light lamb.

VIII. COMPETITIVE POSITION OF THE QUEBEC PRODUCER IN PRODUCING YOUNG
"MILK FED" LAMBS FOR THE MONTREAL MARKET

Producers in Eastern Ontario and Quebec with the exception of the Eastern Section (Lower St. Lawrence) have the advantage of being within reasonable trucking distance of Montreal, i.e. up to about 200 miles. Buyers are in a position to pick up the lambs at the farm.

In general, other producers are faced with higher marketing costs and have to sell lambs by other methods, e.g. consignment to Public Stockyards or to auction barns:

(i) Versus Maritime Producers (N.B., N.S., P.E.I.)

The total numbers of sheep is small -- at June 1, 1971 there was only 32,097 "ewes, rams and wethers" in the three provinces.

(ii) Versus Ontario Producer Selling on the Toronto Stockyards

The Ontario producer pays for trucking to the Stockyards plus yardage and selling commission (each 30 cents per head) at the Stockyards.

The Montreal buyer has to absorb expenses -- buying commission, freight (or trucking), insurance and shrink which adds up to a total of something over \$2.00 per head, depending upon the amount of shrink.

Obviously the Quebec producer, within the area that Montreal buyers regularly cover to buy lambs F.O.B. the farm, has an advantage over his Ontario counterpart.

(iii) The Producer in Manitoba and Eastern Saskatchewan Selling on the Winnipeg Stockyards

The producer has to pay trucking from the farm plus selling commission and yardage.

In bidding for lambs at the auction sales on the Winnipeg Stockyards the Montreal buyer has to consider the costs involved in freight to Montreal, buying commissions, death losses and crippling, the loss in dressing percentage due to shrink caused by the time involved between purchase and slaughter. Montreal buyers consider that these costs amount to close to 10 cents per pound live weight.

Based on the assumption that the buyer in Montreal plans to have carcasses from Winnipeg lambs costing about the same as from Quebec lambs it is evident that the producer in Manitoba and Eastern Saskatchewan receives a lower return per lamb than his counterpart in Quebec.

IX. OUTLOOK AND FUTURE FOR THE PRODUCTION OF YOUNG "MILK FED" LAMBS IN THE PROVINCE OF QUEBEC

All of the light lambs produced in 1972 moved into consumption at reasonably satisfactory prices in general -- somewhat higher than in 1971.

Buyers for the Montreal area, which is the principal market, purchased light lambs from several sources in 1972:

- direct from Quebec producers. The bulk of such lambs produced in Quebec are sold in this manner, i.e. picked up at the farm.
- direct from Ontario producers. This activity is mainly confined to Eastern Ontario which is within a reasonable trucking distance, i.e. under 200 miles.
- a few lambs direct from farms in the Maritimes.
- from auction markets in Eastern Ontario and Quebec Province, and at the Public Stockyards at Montreal.
- a few young "milk fed" lambs direct from farms in the Maritimes and a considerable number of light lambs from Special Lamb Sales and auction barns. The total for 1972 is estimated at about 3,000.
- From the Ontario Stockyards, approximately 3,000 and about 2,400 were "milk fed" lambs.
- From the Winnipeg Stockyards, a total of about 13,000 of which approximately 4,000 were in the "milk fed" category.

It seems evident that both the demand and the market is there:

- (a) for "milk fed" lambs, with a preferred weight of 35-45 lbs., during the "Easter period". (seven weeks entered on Easter). Such lambs could be sold to advantage all year round but very few are being produced for sale outside of the "Easter period".
- (b) light lambs. up to a maximum of about 60 lbs. These are in demand all the time and come from regular lambs that, for a variety of reasons, are of a light weight at the time of marketing.

In respect to light lambs the Quebec producer is primarily interested in the marketing of "milk fed" lamb.

The big question is what would be the effect on price of a sharp increase in the production of "milk fed" lambs?

- The general opinion expressed by Quebec producers indicates that a minimum of \$25.00 per head is required to cover cost of production and show a profit.

In other words, they feel a need for a minimum of \$25.00 per lamb F.O.B. farm.

- On the other hand, the main buyer in Montreal claims that, for the quality being produced at the present time, an average of about \$23.00 per head F.O.B. farm may be more realistic in keeping with the average price the market will pay. He emphasizes that there are two main problems:
 - (a) irregularity of supply combined with a lack of knowledge regarding the number of "milk fed" lambs that may be available for the "Easter period".
 - (b) Quality:

- weights (too many weighing over 45 lbs.)
- "dirty" lambs (excessive manure tags)

The buyer is optimistic about a favourable average price if steps can be taken to overcome these difficulties.

Based on the official quotations (at Winnipeg, Toronto and Montreal) it would appear that the 1972 prices were satisfactory:

- It is assumed that the Montreal buyers give first preference to local "milk fed" lambs, i.e. those produced in Quebec and/or Eastern Ontario -- they buy regularly in Winnipeg and go into the Toronto market when lambs are in short supply.
- The price level paid by Montreal buyers in Winnipeg and Toronto means that on the average, the cost of lambs from those areas was considerably above the \$25.00 per head delivered in Montreal.

Obviously it is impossible to accurately predict or estimate what increase in numbers of "milk fed" lambs could be sold at this year's level of prices or higher:

- The market would have to be tested with increasingly larger suppliers of lambs before the answer may be known.
- The main Montreal buyer is convinced that "there is a large unfilled demand provided the lambs are of the proper weight (35-45 lbs.) and of good quality.

The trade (abattoirs, butchers, retailers, etc.) in Montreal would like to see more "milk fed" lambs -- this would be a definite advantage due to added volume.

There is some difference of opinion in the trade regarding the effect of heavier production on the average prices for Quebec produced "milk fed" lambs:

- an optimistic outlook based on the belief that due to the actual and potential demand for such light lamb that an increase (of up to 100 percent and even higher) could be absorbed without any appreciable change in price from 1972 levels, particularly if a high percentage of the lambs are in the preferred weight range i.e. 35-45 lbs.
- a cautious approach based on the premise that the price to the retailer might be lower than in 1972 if production is stepped up by 25% or more.
- a pessimistic attitude based on the reasoning that the price of light lamb is now so high that it is a "luxury item" and therefore a greater volume of lamb is almost certain to mean lower prices.

It is interesting to note that the trade seems to be of the opinion that the market would absorb "without much change in average price" any increase in numbers that is apt to take place. From conversations with producers the buyers feel that due to the factors involved (overhead, labour, degree of technical knowledge required, lack of shepherds, etc.) the cost of producing light lambs to be marketed in February-April is now so high that there is not apt to be much increase in light lamb production.

X. SUMMARY

- (i) Based on an assumed percent "lamb crop sold" of 115 (125% "lambs saved"), Quebec is producing approximately 9,385 "milk fed" lambs per year. This could be increased without any build-up in ewe numbers (47,785 "ewes, rams and wethers, one year and over" at June 1, 1971). The number of light lambs could be increased by breeding more of the ewes for early lambing.
- (ii) There is an established market in the Greater Montreal area for all "milk fed" lambs being produced in Quebec plus a sizeable number from other sources -- direct from farms in Eastern Ontario; from the Toronto Stockyards; from the Winnipeg Stockyards; a small volume from the Maritimes and from Saskatchewan, etc. The supply situation regarding **light lambs** marketed in the Montreal area for 1972 is about as follows:

- it is assumed that Quebec produced a minimum of 9,385 "milk fed" lambs in 1972.
- there was a limited number of "milk fed" lambs from Saskatchewan and the Maritimes. In Addition, about 3,000 light lambs came from the Maritimes.
- Montreal buyers purchased some "milk fed" lambs F.O.B. farms in Ontario (mainly in Eastern Ontario) -- possibly a total of about 3,000.
- It is estimated that about 13,000 light lambs will come into the Montreal area from the Winnipeg Stockyards.

Approximately 4,000 of these were young "milk fed" lambs marketed during the late February-May period. These offered direct competition to Quebec "milk fed" lambs marketed during the same period.

- About 3,000 head of light lambs were purchased on the Toronto Stockyards of which about 2,400 were in the "milk fed" category.

It is assumed that some "milk fed" lambs originating in Quebec and/or Eastern Ontario are consumed in centres outside Montreal (e.g. Quebec City, Ottawa and Cornwall, etc.). There is not any official record of the numbers involved.

Thus, it would appear that the total of "milk fed" lambs consumed in Quebec province and Eastern Ontario is approximately 24,000-26,000. The total of fresh light lambs, other than "milk fed", that were consumed in the above-mentioned area (Quebec and Eastern Ontario) is not readily available because light lambs are not identified as such in the slaughter figures. It is obvious that buyers for the main market, i.e. Montreal, purchased outside of Quebec and Eastern Ontario -- a total of about 12,000 head (from Winnipeg, Toronto and the Maritimes).

- (iii) Based on 1972 prices (as indicated by quotations issued by the Livestock Division, Canada Department of Agriculture, at Winnipeg, Toronto and Montreal) the returns may be considered satisfactory in relation to cost of production assuming that the producer applied good management and had a percentage "lamb crop sold" of 115 and higher.

- (iv) Imports either fresh or frozen do not offer any serious competition for this specialized product, i.e. fresh light lamb.
- (v) The Quebec producer has the basic resources to produce light lambs -- breeding stock, land, feed, labour, buildings and equipment and an ever-increasing knowledge in this specialized field.
- (vi) In the production area there is a drastic shortage of shepherds. This might be overcome by providing training facilities for young men interested in this profession.

There is also a need for greater technical knowledge and advice regarding the specialization required in the production of light lambs. One answer might be to have a larger number of sheep technicians attached to the Extension Service.

- (vii) With respect to the marketing procedure there are some areas which require attention -- market reporting, estimates and forecasts of production, more efficient methods of selling, etc.
- (viii) Montreal is definitely a potential market for a greater number of young "milk fed" lambs. The extent of, or the demand from this outlet is not known because the market has not been tested-up until now, such lambs have always been in short supply.

Obviously, price is a major factor and this gives rise to a basic question -- will increased numbers of light lambs sell at current prices or higher?

Based on the spectacular and steady rise in per capita consumption of beef (51 lbs. in 1950; 86 lbs. in 1971) and of poultry (20 lbs. in 1950; and 44 lbs. in 1971), it seems reasonable to assume that a sizeable increase in young "milk fed" lamb could be sold at satisfactory prices particularly if the marketing procedure could be effectively organized.

- (ix) In general, the outlook for the young "milk fed" lamb business is optimistic. Its potential can only be determined by producing more light lambs and marketing them to the best advantage.

APPENDIX A

SHEEP: NUMBERS ON FARMS AT JUNE 1, 1971 AND 1972 (000)

												1971	
												Ratio*	
												Ewes as % to Lambs	
Total Sheep & Lambs	1972 as % 1971	1972	1971	Sheep 1 year old and older	1972 as % 1971	1972 as % 1971	1971	Lambs one year old	1972 as % 1971	1972 as % 1971	1971	Ratio*	Ewes as % to Lambs
1971	1972												
CANADA	851.4	845.0	99	455.0	454.2	100	396.4	390.8	99	99	99	87	
Prince Edward Island	8.5	8.0	94	4.4	4.2	95	4.1	3.8	93	93	93	93	
Nova Scotia	35.8	35.0	98	18.7	18.0	96	17.1	17.0	99	99	99	95	
New Brunswick	17.3	15.0	87	9.0	8.0	89	8.2	7.0	85	85	85	90	
Quebec	88.4	82.0	93	47.8	44.0	92	40.6	38.0	94	94	94	85	
Ontario	216.3	210.0	97	118.2	120.0	102	98.0	90.0	92	92	92	83	
<u>EAST</u>	<u>366.3</u>	<u>350.0</u>	<u>96</u>	<u>198.1</u>	<u>194.2</u>	<u>98</u>	<u>168.2</u>	<u>155.8</u>	<u>93</u>	<u>93</u>	<u>93</u>	<u>85</u>	
Manitoba	42.5	38.0	89	24.2	22.0	91	18.3	16.0	87	87	87	76	
Saskatchewan	144.6	142.0	98	79.0	77.0	97	65.6	65.0	99	99	99	83	
Alberta	244.9	259.0	106	125.7	132.0	105	119.2	127.0	107	107	107	95	
British Columbia	53.1	56.0	105	28.0	29.0	104	25.1	27.0	108	108	108	90	
<u>WEST</u>	<u>485.1</u>	<u>495.0</u>	<u>102</u>	<u>256.9</u>	<u>260.0</u>	<u>101</u>	<u>228.2</u>	<u>235.0</u>	<u>103</u>	<u>103</u>	<u>103</u>	<u>89</u>	

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* Number of Lambs per 100 "Sheep, 1 year old and older."
 SOURCE: Statistics Canada -- "Report on Livestock Surveys, Cattle, Sheep and Horses, June 1, 1972.

APPENDIX B

QUEBEC: SHEEP CENSUS -- FARMS AS OF JUNE 1, 1971
BY CENSUS DIVISION

Census Division	Total Number	Farms Reporting	Lambs under 1 year.	1 year and over (Ewes, Rams, Wethers).	Ratio Ewes to Lambs ¹
Province of Quebec	88,425	2,060	40,640	47,785	85
Abitibi	5,733	76	2,645	3,088	86
Argenteuil	1,204	28	460	744	62
Arthabaska	242	13	115	127	90
Bagot	316	9	110	206	53
Beauce	2,140	101	1,042	1,098	95
Beauharnois	17	2	10	7	143
Bellechasse	70	6	28	42	67
Berthier	491	19	186	305	61
Bonaventure	5,405	93	2,676	2,729	98
Brome	2,605	32	998	1,607	62
Chambly	2	1	2	0	--
Champlain	566	21	279	287	97
Charlevoix-Est	759	22	377	382	98
Charlevoix-Ouest	750	27	380	370	103
Chateauguay	240	6	54	186	29
Chicoutimi	2,435	75	1,291	1,144	113
Campton	1,625	37	701	924	76
Deux Montagnes	665	10	238	427	56
Dorchester	770	38	348	422	82
Drummond	445	18	174	271	64
Frontenac	536	21	305	231	132
Gaspé-Est	190	9	73	117	62
Gaspé-Ouest	1,787	36	962	825	116
Gatineau	1,475	38	644	831	77
Hull	144	5	58	86	67
Huntingdon	758	15	182	576	31

Census Division	Total Number	Farms Reporting	Lambs under 1 year.	1 year and over (Ewes, Rams, Wethers).	Ratio Ewes to Lambs ¹
Iberville	6	2	--	6	--
Ile de Montréal et Ile Jésus	656	4	312	344	91
Iles de la Madeleine .	49	5	21	28	75
Joliette	545	18	213	332	64
Kamouraska	2,810	42	1,148	1,662	69
Labelle	1,574	32	601	973	62
Lac St-Jean Est	3,558	62	1,896	1,662	114
Lac St-Jean Ouest	2,919	71	1,334	1,585	84
Laprairie	217	6	137	80	171
L'Assomption	595	12	232	363	64
Lévis	402	7	195	207	94
L'Islet	1,561	43	614	947	65
Lotbinière	815	23	386	429	90
Maskinongé	865	29	355	510	86
Matane	4,488	84	2,440	2,048	119
Matapedia	4,984	117	2,490	2,494	100
Mégantic	1,023	20	501	522	96
Mississquoi	1,683	17	444	1,239	36
Montcalm	149	4	58	91	64
Montmagny	201	15	54	147	37
Montmorency No. 1	31	5	13	18	72
Montmorency No. 2	--	--	--	--	--
Napierville	11	2	5	6	83
Nicolet	287	15	74	213	85
Papineau	1,516	30	675	841	80
Pontiac	1,383	40	707	676	46
Portneuf	515	14	258	257	100
Québec	332	9	174	158	126
Richelieu	725	15	313	412	76
Richmond	811	19	339	472	72
Rimouski	8,345	160	4,107	4,238	97
Rivière du Loup	1,839	54	859	980	87
Rouville	54	4	14	40	35

Census Division	Total Number	Farms Reporting	Lambs under 1 year.	1 year and over (Ewes, Rams, Wethers).	Ratio Ewes to Lambs ¹
Saguenay	307	17	166	141	118
St. Hyacinthe	461	8	221	240	92
St. Jean	177	6	70	107	65
St. Maurice	1,663	40	762	901	84
Shefford	698	23	298	400	74
Sherbrooke	1,014	8	468	546	86
Soulanges	53	4	19	34	56
Stanstead	761	23	312	449	69
Témiscamingue	1,133	34	567	566	100
Témiscouata	3,562	102	1,698	1,864	91
Terrebonne	335	8	110	225	49
Vaudreuil	131	6	39	92	42
Verchères	--	--	--	--	--
Wolfe	846	27	333	513	65
Yamaska	965	16	270	695	39
PROVINCE	88,425	2,060	40,640	47,785	85

(1) Number of lambs per 100 sheep "1 year and over" (Ewes, Rams, and Wethers).

APPENDIX C

QUEBEC: CENSUS DIVISION WITH MORE THAN
1,000 SHEEP AS AT JUNE 1, 1971

	Total Number	Farms Reporting	Lambs under 1 year.	1 year and over (Ewes, Rams, Wethers).	Ratio Ewes to Lambs ¹
<u>8,000 - 9,000 (1)</u>					
Rimouski	8,345	160	4,107	4,238	97
<u>5,000 - 5,999 (2)</u>					
Abitibi	5,733	76	2,645	3,088	86
Bonaventure	5,405	93	2,676	2,729	98
	—	—	—	—	—
	11,138	169	5,321	5,817	91
<u>4,000 - 4,999 (2)</u>					
Matapédia	4,984	117	2,490	2,494	100
Matane	4,488	84	2,440	2,048	119
	—	—	—	—	—
	9,472	201	4,930	4,542	108
<u>3,000 - 3,999 (2)</u>					
Témiscouata	3,562	102	1,698	1,864	91
Lac St-Jean Est	3,558	62	1,896	1,662	114
	—	—	—	—	—
	7,120	164	3,594	3,526	—
<u>2,000 - 2,999 (4)</u>					
Lac St. Jean-Ouest ...	2,919	71	1,334	1,585	84
Brome	2,605	32	998	1,607	62
Chicoutimi	2,435	75	1,291	1,144	113
Beauce	2,140	101	1,042	1,098	95
	—	—	—	—	—
	10,099	279	4,665	5,434	86

	Total Number	Farms Reporting	Lambs under 1 year	1 year and over (Ewes, Rams Wethers)	Ratio Ewes to Lambs ¹
<u>1,500 - 1,999 (8)</u>					
Rivière du Loup	1,839	54	859	980	87
Gaspé-Ouest	1,787	36	962	825	116
Mississquoi	1,683	17	444	1,239	36
St-Maurice	1,663	40	762	901	84
Compton	1,625	37	701	924	76
Labelle	1,574	32	601	973	62
L'Islet	1,561	43	614	947	65
Papineau	1,516	30	675	841	80
	—	—	—	—	—
	13,248	289	5,618	7,630	74
<u>1,000 - 1,499 (6)</u>					
Gatineau	1,475	38	644	831	77
Pontiac	1,383	40	707	676	46
Argenteuil	1,204	28	460	744	62
Témiscamingue	1,133	34	567	566	100
Mégantic	1,023	20	501	522	96
Sherbrooke	1,014	8	468	546	86
	—	—	—	—	—
	7,232	178	3,347	3,885	86
	—	—	—	—	—
TOTAL -- 25 DIVISIONS	66,654	1,440	31,582	35,072	90
PROVINCE	88,425	2,060	40,640	47,785	85
BALANCE (49 DIVISIONS)	21,771	620	9,058	12,713	71

(1) Number of lambs per 100 sheep "1 year and over" (Ewes, Rams and Wethers).

APPENDIX D

EASTERN ONTARIO: SHEEP ON CENSUS-FARMS AS OF JUNE 1, 1971
BY CENSUS DIVISION

Census Division	Total Number	Farms Reporting	Lambs under 1 year	1 year and over (Ewes, Rams, Wethers)	Ratio Ewes to Lambs
Frontenac	3,310	56	1,478	1,835	80
Glengarry	1,523	29	458	1,065	43
Grenville	1,338	49	512	826	62
Haliburton	150	5	76	74	103
Hastings	3,634	95	1,736	1,898	91
Lanark	6,933	171	3,390	3,543	96
Leeds	2,762	70	1,492	1,270	117
Lennox-Addington	2,049	55	1,023	1,026	100
Ottawa-Carleton	7,220	121	3,252	3,968	82
Prescott	498	12	171	327	52
Prince Edward	3,112	48	1,221	1,891	64
Renfrew	5,088	163	2,427	2,661	91
Russell	169	9	68	101	67
Stormont	650	12	271	379	71
14 DIVISIONS	38,436	895	17,575	20,864	84
PROVINCE	216,271	4,409	98,041	118,230	83
BALANCE (41 DIVISIONS)	177,835	3,514	80,466	97,369	82

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